

Assembly Bill No. 292

CHAPTER 232

An act to amend Sections 18761, 18765, and 18766 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 11, 2009. Filed with
Secretary of State October 11, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

AB 292, Yamada. Personal income taxes: contributions: Alzheimer's disease.

The Personal Income Tax Law allows taxpayers, until January 1, 2010, to contribute amounts in excess of their tax liability for the support of the California Alzheimer's Disease and Related Disorders Research Fund.

This bill would extend the operation of those contribution provisions to January 1, 2015.

The people of the State of California do enact as follows:

SECTION 1. Section 18761 of the Revenue and Taxation Code is amended to read:

18761. The Legislature finds and declares all of the following:

(a) Alzheimer's disease and related dementia disorders are devastating health conditions that cause a loss of intellectual functioning so severe that they interfere with an individual's daily functioning and eventually result in death. These conditions cause serious financial, social, and emotional hardships on those affected and on their family caregivers.

(b) Between 2008 and 2030 the number of Californians living with Alzheimer's disease will double in both the general population and among the African American population. In this same period, there is expected to be a tripling of that disease among California's Latino and Asian Pacific Islander populations.

(c) Among California's baby boomers 55 years of age and older, their lifetime risk for developing Alzheimer's disease is one in eight.

(d) Alzheimer's disease is now the sixth leading cause of death in California.

(e) Families provide almost three-quarters of the value of care for individuals living with Alzheimer's disease in the community and in facilities, amounting to approximately \$72.7 billion out of an estimated total cost of \$104 billion. These family caregivers are more likely to experience financial hardship, health difficulties, and a negative impact on their ability to work outside the home.

(f) The cost to the Medi-Cal program for an individual with Alzheimer's disease or a related dementia is two and one-half times greater than the cost for an individual without a diagnosis of dementia.

(g) While scientists have made great strides in understanding Alzheimer's disease and other causes of dementia, there is no known prevention or cure at this time.

(h) It is the intent of the Legislature, in enacting this article, to establish a systematic program for the conduct of research regarding the cause, prevention, diagnosis, cure, and treatment of Alzheimer's disease and related disorders. The outcome of this research may have direct effects and consequences on the development of a comprehensive system that will provide diagnoses and treatment to victims of those health problems. This program shall award grants to eligible physicians, hospitals, laboratories, educational institutions, and other organizations and persons for the purpose of enabling those organizations and persons to conduct research.

SEC. 2. Section 18765 of the Revenue and Taxation Code is amended to read:

18765. All money transferred to the California Alzheimer's Disease and Related Disorders Research Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the appropriate state department as established by the Secretary of California Health and Human Services in consultation with the California Department of Aging, and any others which the secretary deems appropriate. These funds shall be expended for the purpose of conducting research relating to the care, treatment, and the cure of Alzheimer's disease through contracts or grants developed and awarded as determined by the Secretary of California Health and Human Services, in consultation with the California Department of Aging and any others which the secretary deems appropriate.

SEC. 3. Section 18766 of the Revenue and Taxation Code is amended to read:

18766. (a) This article shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2015, deletes that date.

(b) (1) By September 1, 2006, and by September 1 of each subsequent calendar year that the California Alzheimer's Disease and Related Disorders Research Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the Secretary of California Health and Human Services of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum

contributions amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the 2000 calendar year or the minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with calendar year 2001, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior calendar year multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.